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# CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY  
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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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**T H E   W E E K   I N   B R I E F**

**PART I**

**OF IMMEDIATE INTEREST**

**FORMOSA STRAITS . . . . . Page 1**

The military situation was quiet in the Formosa Straits last week. Logistic activity continues.

EO 13526 3.3(b)(1)>25Yrs

**AFRO-ASIAN CONFERENCE . . . . . Page 2**

The outstanding events thus far at the Afro-Asian conference have been the vigorous anti-Communist speeches delivered by several chief delegates of pro-Western countries. Chou En-lai until now has refrained from trying to maneuver the conference into endorsing Peking's claims to all Nationalist-held territory.

EO 13526 3.3(b)(1)>25Yrs

**USSR APPARENTLY PREPARED  
TO SIGN AUSTRIAN TREATY . . . . . Page 2**

The Soviet note of 19 April calling for a conference on Austria adds to the evidence that the USSR is prepared to sign a treaty promptly, although difficulties may still arise over a four-power guarantee of Austrian neutrality. In its propaganda, Moscow is parading the Austrian treaty before the West Germans, who are interested but will be really impressed only by concessions on Germany. The Austrians are so eager now for a treaty, that they are not likely to give firm support to any Western attempts to influence the terms of a neutrality guarantee.

EO 13526 3.3(b)(1)>25Yrs

**EAST GERMANY MAINTAINS  
PRESSURE ON WEST BERLIN . . . . . Page 4**

The East German government continues to build up pressure against West Berlin in an effort to demonstrate the city's vulnerability and to convince the West, and particularly the West Germans, of the serious consequences that may result if the Federal Republic is rearmed under NATO.

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**NO POLITICAL SOLUTION IN SIGHT  
AS SAIGON "TRUCE" ENDS . . . . . Page 5**

Saigon's third "truce" ended on 20 April with skirmishes between the Binh Xuyen and government troops.

EO 13526 3.3(b)(1)>25Yrs

**AFGHANISTAN AND PAKISTAN  
AVOIDING NEW INCIDENTS . . . . . Page 6**

There were no new incidents between Afghanistan and Pakistan during the past week. The next move by the Afghans--possibly removal of Prime Minister Daud by senior members of the royal family--will determine whether tensions are likely to abate.

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**PART II**

**NOTES AND COMMENTS**

The Soviet Communiqué on the Near East: The Soviet Foreign Ministry's communiqué of 16 April was issued primarily to influence the Bandung conference. The Communists' efforts to exploit disputes in the Near and Middle East are hampered by Moscow's immediate objective of encouraging Indian neutralism and its longer-term program of economic penetration of the area. . . . . PaEO 13526 3.3(b)(1)>25Yrs

Japan's Relations With the Sino-Soviet Bloc: The Soviet Union's acceptance of Japan's suggestion to conduct negotiations either in London or Geneva appears designed to sustain domestic pressure in Japan for closer relations with the Sino-Soviet bloc. Interest in such relations had been noticeably subsiding as a result of earlier Soviet stalling. . . . . Page 2 EO 13526 3.3(b)(1)>25Yrs

Peiping Hints at Reprisals Against Hong Kong: Since the crash of an Air India plane on 11 April in which eight members of Peiping's delegation to the Bandung conference were killed, Chinese Communist spokesmen have been hinting at reprisals against the British colony of Hong Kong. Peiping may believe that such tactics will help to dissuade Britain from supporting the American position on Formosa. . . . . EO 13526 3.3(b)(1)>25Yrs  
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**Soviet Research on Earth Satellite:** The scientific eminence of the six men who on 16 April were listed as members of the USSR's Permanent Interdepartmental Commission for Interplanetary Communications suggests a co-ordinated survey of the theoretical problems involved in the establishment of a space station.

PEO 13526 3.3(b)(1)>25Yrs

**South Korea Renews Efforts to Isolate Japan:** South Korea is renewing its efforts to undermine the United States' faith in Japan as a reliable ally, and to supplant Japan in American strategic planning with a group of small Asian nations led by South Korea. The more immediate objective, however, is to attract the major part of long-term American aid allocated to the Far East.

PEO 13526 3.3(b)(1)>25Yrs

**Negotiations in Laos:** The arrival in Vientiane of some 30 Pathet Lao representatives opens another phase in the long-drawn-out negotiations between the royal government and the Communists for a political settlement. The Laotian government still appears in no hurry to conclude the talks and is hopeful that its recent memorandum to the International Control Commission may result in favorable action.

PEO 13526 3.3(b)(1)>25Yrs

**Hungarian Leaders Ousted:** The ouster of two top leaders of the Hungarian Workers' Party--Premier Imre Nagy and Mihaly Farkas--may be only the beginning of a widespread removal of anti-Rakosi elements in the party.

PEO 13526 3.3(b)(1)>25Yrs

**Genoa Port Strike Becoming More Serious:** The walkout of some 1,600 Communist-dominated ship repair workers in Genoa is now in its thirteenth week with no end in sight. Twice this month, sympathy strikes have stopped cargo loadings and unloadings and have led to numerous clashes between strikers and police.

PEO 13526 3.3(b)(1)>25Yrs

**Iraqi-Syrian Relations:** Syria's cabinet capitulated last week to army pressure for negotiating a defense pact with Egypt and Saudi Arabia. An army coup and a concomitant threat of Iraqi military intervention have been averted for the time being.

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**PART III**

**PATTERNS AND PERSPECTIVES**

**THE KHRUSHCHEV APPROACH IN INTERNAL POLICY. . . . . Page 1**

Party Secretary Khrushchev's propensity for using spectacular methods for rapidly solving specific organizational and production problems in the Soviet agricultural program may provide some insight into his approach to other problems. [REDACTED]

EO 13526 3.3(b)(1)>25Yrs

**POLITICAL PROBLEMS IN AFRICA SOUTH OF THE SAHARA. . . . . Page 2**

The growing importance of the African as a force in international politics is pointed up by the attendance of official delegates from Ethiopia, Liberia, and the Gold Coast at the Bandung conference. The major factors affecting the future of Africa south of the Sahara are racialism, colonialism and the influence of India, the United Nations, and Communism. Numerous areas, however, are at present largely untouched by these forces either because of their isolation or lack of development. [REDACTED]

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PART I

OF IMMEDIATE INTEREST

FORMOSA STRAITS

The lull in combat operations in the Formosa Straits area continued throughout the past week, and there were no indications that the Chinese Communists were about to initiate major attacks against the Nationalists.

For the first time since last September, when the Communists began to intensify pressure on the offshore islands, there was no artillery fire against the Quemoy for an entire week.

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AFRO-ASIAN CONFERENCE

The outstanding events thus far at the Afro-Asian conference have been the vigorous anti-Communist speeches delivered by several chief delegates of pro-Western countries.

The anti-Communists, who heavily outnumber the Communists and neutralists, have strongly influenced the organization of the conference. While they agreed to conference unanimity for approval of any resolution, they successfully demanded that the working committees be permitted to issue communiqués discussing disagreements and tabulating any votes that are taken.

Thailand's Prince Wan--a leading advocate of Asian cooperation with the West--has been elected rapporteur of the extremely important political committee, which is composed of all chief delegates. It appears that the anti-Communist delegates are seeking to have the deliberations of the conference follow the principles of the United Nations rather than that of "peaceful coexistence" or the "five principles" of Mao Tse-tung.

Chou En-lai has until now refrained from trying to maneuver the conference into endorsing Peipings's claims to all

Nationalist-held territory. Evidently believing that any such effort would be defeated, Chou publicly stated that the question of Formosa would only enmesh the conference in "disputes...without any solution."

Chou seems to be going ahead at Bandung with conversations aimed at assessing the attitudes of other Far Eastern states toward possible Communist courses of action.

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Most of those approached by Chou are expected to argue against the use of force by the Chinese Communists and to support the idea of an early Formosa conference.

Prime Minister Nehru, who was expected to be a dominant figure, has kept almost completely out of the limelight. On the opening day, visibly irritated at the way things were developing, he stalked out of the auditorium during an anti-Communist speech. He may be expected, however, to continue efforts to keep the conference general and friendly rather than specific and bitter, and to seek some common ground upon which it can be concluded.

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USSR APPARENTLY PREPARED TO SIGN AUSTRIAN TREATY

The propaganda line from Moscow tends to confirm that the immediate Soviet purpose in moving rapidly toward an

Austrian settlement is to revive West European interest in big-power negotiations before West German rearmament is carried out.

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In particular, the USSR wants to show the Germans the advantages of dealing directly with Moscow and to dangle before them the possibility of unity on the Austrian neutrality model.

The Soviet note of 19 April proposed that the foreign ministers of the four great powers and Austria meet soon in Vienna to consider and sign the Austrian treaty.

The rapidity and manner in which the USSR is moving indicates that Moscow probably will not insist on a discussion of any issues other than Austria. The Soviet Union apparently is prepared to sign the treaty unless some Western objection gives it a chance to blame the West for the delay.

The only issue the USSR deliberately has left obscure is what kind of four-power guarantees it wants for Austrian neutrality. A clue as to what the USSR has in mind was Molotov's reference to the guarantees of perpetual neutrality, independence, and territorial inviolability of Switzerland which emerged from the 1815 Congress of Vienna.

If the Soviet negotiators meet resistance from the Western powers on this issue, it seems likely that they are prepared to issue a strong unilateral guarantee rather than stall the conference.

Under the Hungarian and Rumanian peace treaties, the withdrawal of Soviet occupation troops from Austria is supposed to result in the return of the

line of communication troops in Hungary and Rumania to Soviet territory. It is expected, however, that Moscow will use the Soviet bloc security system which is being formed as an excuse for making arrangements with these countries to keep troops there.

Most West Germans will welcome the encouraging results of the Moscow meeting. They are not likely to see progress on Austria as cause for abandoning the Western alliance, but they will hope that it means a fundamental change in Soviet policy. From nearly all quarters, there will probably be insistence that talks on Germany be held as soon as possible.

The deputy leader of the Christian Democratic faction in the Bundestag told American officials in Bonn on 14 April that he is greatly concerned over the probable impact of Austrian developments. He feels the Bonn government will be faced with a strong popular trend to accept a neutral position for Germans.

Nevertheless, it will be Soviet proposals directly on Germany, not actions on Austria, which will determine the German government's attitude.

The results of the meeting in Moscow have been greeted with almost universal popular enthusiasm in Austria, and any attempt to delay the four-power meetings will almost certainly meet with popular opposition there.

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The West may also find it difficult to obtain Austrian co-operation in any negotiations for neutrality guarantees acceptable to the West. Austria may already have agreed to accept a unilateral Soviet guarantee if necessary.

Carried along by popular enthusiasm, Chancellor Raab is not likely to engage in cautious contemplation of the dangers of Soviet influence to which his country might be

subjected under the proposed conditions of the treaty.

The Western powers probably cannot now depend on the usual sobering influence of Socialist leaders on Austrian dealings with the USSR, since Vice Chancellor Schaerf and Foreign State Secretary Kreisky were on the delegation to Moscow, and their party can ill afford to battle the tide of enthusiasm by pulling apart the agreements that have been made.

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**EAST GERMANY MAINTAINS  
PRESSURE ON WEST BERLIN**

The East German government has continued in the past week to build up its pressure against West Berlin and to attempt to force West German agreement to negotiate the truck tax question at the ministerial level.

Behind the East German policy is the desire to demonstrate the vulnerability of West Berlin to Communist pressures and to convince West Europeans, particularly West Germans, that rearming the Federal Republic under NATO may have serious consequences.

The Communists, moreover, have been contrasting West Germany's difficulties--alleged to result from its alignment with the West--with the advantages Austria is gaining through its policy of neutrality.

Following the East German charge on 12 April that West Berlin is the Allies' main spy center and a threat to the GDR, an editorial in the leading East German Communist daily stated on 16 April that the "consequences" of Bonn's refusal to negotiate the truck tax question on a ministerial level "will have to be borne by West Berlin."

The East Berlin authorities on 19 April cut off the flow of electricity to West Berlin. Because of West Berlin's self-sufficiency in electric power, however, the effect of the ban is largely psychological.

According to the West Berlin Land Labor Office, 3,000 West Berliners working in East Berlin have been fired in the past two months and West Berlin officials fear that the remaining 12,500 will soon be dismissed.

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There have also been a number of unconfirmed reports that the East Germans are preparing plans for other restrictive measures including sealing off West Berlin from East Germany.

These plans are alleged to include the creation of a no man's land security strip around Berlin, cutting East German communication lines running through West Berlin and strengthening the border police units preparatory to restricting the movement of persons into and out of Berlin.

East Germany probably also desires to isolate West Berlin for internal security reasons. The city serves as a haven for East Germans fleeing military conscription, as a base for Western intelligence agencies operating in East Germany, and as a show window for the West which undoubtedly exacerbates the uneasy internal situation in the German Democratic Republic.

The increasing belligerency of the East German government, and its refusal to negotiate the truck tax question on the technical level as desired by

Bonn, have moved the Federal Republic to slow shipments to East Germany of goods already scheduled for delivery and to place an embargo on future shipments.

On 14 April, Chancellor Adenauer and West Berlin mayor Suhr reportedly agreed that discussion of the road tolls with the "illegitimate regime of the Soviet zone" is out of the question. Both Adenauer and Suhr are urging Allied intervention with Moscow, since road access to Berlin is a quadripartite responsibility.

The Western powers intend to run additional military convoys and to begin practice flights into Berlin to impress the USSR. Their protest notes to Pushkin, however, have been ignored.

Bonn and West Berlin officials are inclined to believe that either too strong or too weak a reaction will provoke new harassments. Allied officials, however, point out that by interfering in German interzonal trade the West has the best means of forcing East Germany to terms, since East Germany heavily depends on West German steel. (Con-

EO 13526 3.3(b)(1)>25Yrs

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**NO POLITICAL SOLUTION IN SIGHT  
AS SAIGON "TRUCE" ENDS**

Saigon's third "truce" ended on 20 April to the sound of hand-grenade explosions and machine-gun fire.

The rebel Binh Xuyen engaged in several provocative acts including the kidnaping and shooting of government

troops in several parts of the city. The most sensational act of violence was fire from a passing truck directed at the sidewalk café of the Hotel Majestic on the main street of Saigon.

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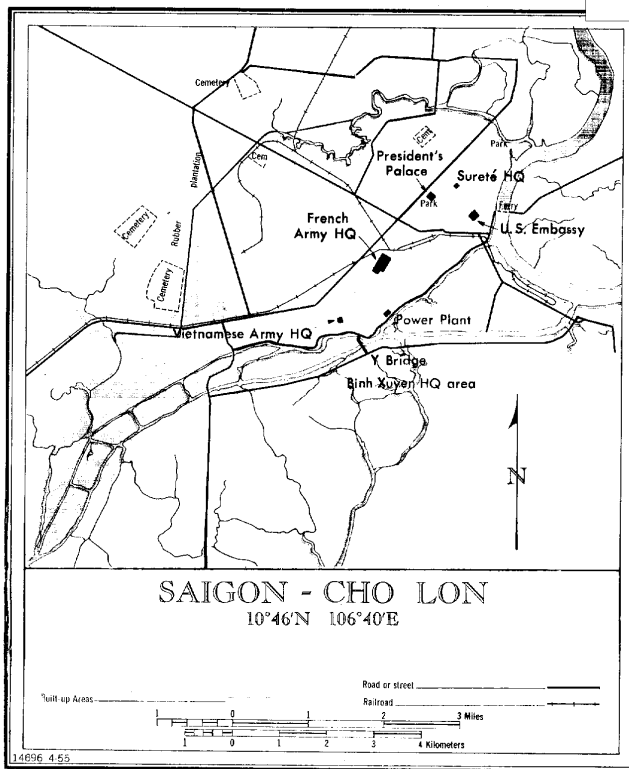
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Under continued pressure from the French not to act against the Binh Xuyen--pressure backed up by the Expeditionary Corps--the government

has refrained from taking more than localized action against Binh Xuyen raids.

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The political situation remains at an impasse. Diem has proposed that a state council be set up pending elections of an assembly three months hence.

To date Vietnamese politicians, aside from those who remain loyal to Diem, have been unable to bring forth a compromise formula that any two of them can agree on.

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**AFGHANISTAN AND PAKISTAN  
AVOIDING NEW INCIDENTS**

There were no new incidents between Afghanistan and Pakistan during the past week. The next move by the Afghans--possibly the removal of Prime Minister Daud by senior members of the royal family--will determine whether tensions are likely to abate.

No further incidents have occurred in either country since the 1 April reprisal attack against the Afghan consulate in Peshawar, and no further tribal unrest has been reported.

Pakistan's evacuation of dependents from its posts in

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Afghanistan, which seems designed to impress Kabul with the "seriousness" of the situation, proceeded without any incidents. Both governments are impressed with the seriousness of the situation and for the present at least will avoid creating new incidents.

Reports of Soviet involvement have not been confirmed. Some press and radio releases by the USSR on the situation generally favor Afghanistan. Only direct interference by Pakistan, or chaos arising from major tribal disturbances, appears likely to result in active Soviet intervention.

There are no indications that a tribal uprising is imminent, and Ambassador Hildreth reports that Karachi's policy now excludes the possibility of trying to unseat the Afghan royal family.

The resolution of the crisis now appears to rest with Afghanistan. The majority of recent reports suggests that Prince Daud will be "disciplined" to permit the Afghan government to make face-saving concessions, particularly in the light of the strong Western and Near Eastern diplomatic representations over the March incidents.

What will actually be done in reference to Daud

depends on whether his two uncles—who lead the opposition to him within the oligarchy—can command greater popular support than Daud and whether they can influence the king.

Action against Daud would consist either of his removal from office or his retention on a pledge of good behavior. If he is removed, the situation is likely to return to normal.

Even should Daud remain as prime minister, either on sufferance or as a victor in the struggle for power, the outlook for the near future is not necessarily alarming. He has been somewhat cowed by the strong diplomatic protests and is probably worried by the fact that tribal movements after the late March demonstrations were directed against Afghanistan rather than Pakistan.

The longer-range outlook is less promising. Eventually Daud is likely to indulge in some headstrong action inimical to Western interests in Afghanistan, despite promises he may give to the royal family. Moreover, in the next few years, death or incapacitation of the aging royal uncles may remove the last restraining elements on Daud and may enable him to control the government by dominating the king.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****21 April 1955****PART II****NOTES AND COMMENTS****The Soviet Communiqué  
On the Near East**

The Soviet Foreign Ministry's communiqué of 16 April on developments in the Near and Middle East was released primarily to influence the Bandung conference.

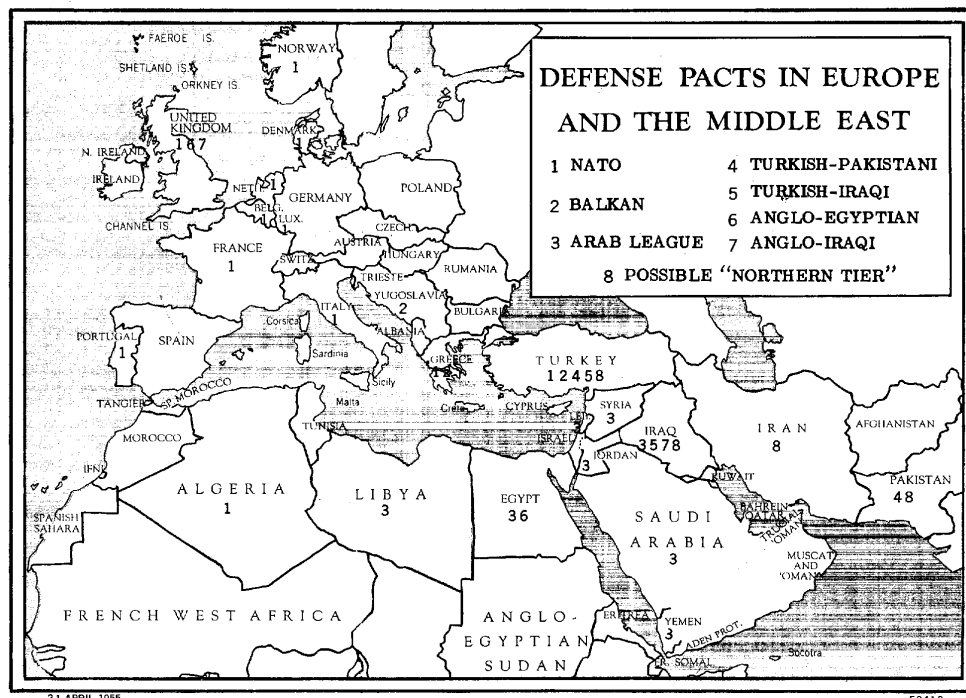
The communiqué emphasized that Western-sponsored regional defense arrangements are colonialism in a new form and contrasted what it called Western imperialism with the exemplary conduct of the Soviet Union in encouraging the independence of new nations in the area.

While this line is "old hat" in Soviet propaganda, Moscow is putting it out now in official form to emphasize

that it is concerned over the development of military blocs such as the "northern tier," and to encourage anti-Western elements in countries such as Syria to count on Soviet support.

To give greater weight to such sentiments, the communiqué warned that any continued "policy of pressure and threat in relation to countries of the Near and Middle East" would "have to be considered by the UN."

Actually, the USSR's freedom of action in the Near and Middle East is hampered by its immediate objective of encouraging Indian neutralism

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and its longer-term program of economic penetration in the area.

In order to further these policies, the Soviet leaders have been careful to avoid using coercion or subversion which would appear as gross interference in the eyes of the Indian and other South Asian peoples.

It also is likely that the USSR looks on the area as a point of conflict among American, British and French policies, and would therefore desist from any threats or interference which might force these governments to adopt a common policy.

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Japan's Relations  
With the Sino-Soviet Bloc

The latest Soviet note concerning Soviet-Japanese negotiations expresses a willingness to meet at London or Geneva, sites which Japan had previously mentioned as possibilities. The Soviet reply appears designed to sustain domestic pressure in Japan for closer relations with the Sino-Soviet bloc, which was noticeably subsiding as a result of earlier Soviet stalling.

The Soviet leaders may have felt that their short-term interests were best served by a gesture of "reasonableness" which would help Prime Minister Hatoyama through the forthcoming Diet session. Hatoyama's position has become shaky as a result of inept diplomacy, and, if he fell, he would probably be succeeded by a premier less willing to compromise with the bloc.

The note will probably prove acceptable to Japan. Shunichi Matsumoto, a former ambassador to London, has already been picked to head the Japanese delegation. Matsumoto is able, pro-West and reported on good terms with both Prime Minister Hatoyama and Foreign Minister Shigemitsu.

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The differences between Japan and Communist China center around Chinese attempts to maneuver the Japanese government into de facto relations prematurely.

In Tokyo, Japanese officials have refused to assume official responsibility for the execution of a private trade agreement. The government is also under pressure to participate in the enforcement of a private fisheries pact signed on 15 April in Peiping.

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Peiping Hints at Reprisals  
Against Hong Kong

Since the crash of an Air India plane on 11 April in which eight members of Peiping's delegation to the Bandung conference were killed, Chinese Communist spokesmen have been hinting at reprisals against the British colony of Hong Kong.

The Chinese Communists have been asserting that the British were responsible for failing to deter American and Chinese Nationalist "agents" in the colony. One spokesman has publicly stated that if the

British continue to "indulge" such agents, "this state of affairs will become a serious threat to China."

The Chinese Communists in the past have avoided threats against Hong Kong. Peiping may intend to use the airliner incident, however, to create apprehension over Hong Kong's future. The Chinese Communists may believe that such tactics will help to dissuade the British from supporting the American position on Formosa.

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Soviet Research  
On Earth Satellite

Moscow radio on 16 April announced the names of six of the members of the Permanent Interdepartmental Commission for Interplanetary Communication of the Academy of Science.

These six--P. Kapitsa, A. Karpenko, L. Sedov, V. Ambartsumyan, P. Parenago, and B. Kukharkin--are among the leading scientists in the USSR, and have internationally recognized competence in such fields as astrophysics, and cosmic ray and nuclear energy research.

The broadcast also carried a short interview with the secretary of the commission, who said that "one of the first tasks of the commission lies in organizing work for the creation of an automatic laboratory of scientific research in cosmic space."

Inclusion in the Soviet group of top-notch people in a field where competent personnel are scarce suggests a co-ordinated survey of the theoretical problems involved in the establishment of a space station.

To date, the work was probably not advanced beyond the theoretical stages, since the commission is subordinate to the Academy of Sciences and four of the six men listed have dealt almost exclusively with highly theoretical problems.

Construction of the propulsion device required to place a small object into an orbit around the earth is considered scientifically possible.

Enlargement of such a satellite into a usable space laboratory is beyond present-day scientific knowledge. This step would depend on the

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solution of many of the problems now facing the guided missile field, particularly in the research and development of the intercontinental ballistic missile.

Such a space platform could not only serve scientific research, but also could be an invaluable aid to military operations and intelligence collection activities. EO 13526 3.3(b)(1)>25Yrs (Prepared by OSI)

South Korea Renews Efforts to Isolate Japan

Recent North Korean overtures toward Japan, abetted by Prime Minister Hatoyama's initial favorable response, have given South Korea an opportunity to renew its efforts to isolate Japan.

This is fundamentally an effort to undermine America's faith in Japan as a reliable ally, and to supplant Japan in American strategic planning with a group of small Asian nations led by South Korea. The more immediate objective, however, is to create a basis for attracting the major part of long-term, large-scale American aid allocated to the Far East.

[redacted] Rhee has set his sights on obtaining 90 percent of all American aid allocated to the Far East. He has recently requested, through his aid officials, a total of \$350,000,000 in economic aid, and \$620,000,000 in military aid for fiscal 1956--an increase of \$270,000,000 over the current year.

Rhee's official press has warned that if Japan enters into negotiations with North Korea, South Korea should withdraw diplomatic relations and regard Japan as an enemy. The demand has also been

raised that South Korea should claim reparations from Japan to cover the 40 years of Japanese rule.

In late March, Rhee declared that other Asian nations must be made aware that Japan is moving toward Communism and could not be trusted. All of these nations, he asserted, must attempt to make the United States aware of the Japanese trend.

Rhee's "fact-finding" mission to Southeast Asia has issued statements warning free Asian nations to unite for protection against what it describes as a reviving, re-arming Japan, which is moving toward collaboration with Communists. EO 13526 3.3(b)(1)>25Yrs

South Korea has also attempted to convince the United States that free Asian nations fear a resurgent Japan even more than Communism and, if confronted with a choice, would prefer the latter to the former.

The South Korea government has continued attempts to maneuver the United States into intervening with Japan on behalf of Korean objectives, and has called on the United States to force Japan to end its differences with "other free Asian nations." EO 13526 3.3(b)(1)>25Yrs

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Negotiations in Laos

The unheralded descent on Vientiane of some 30 Pathet Lao negotiators, just prior to the departure of Laotian officials for Bandung, was apparently timed carefully to soften any statements by the government of Laos at the Afro-Asian conference regarding Communist intransigence.

The Communists' volte-face, after arguments on the flimsiest of grounds against carrying on the talks in Vientiane, may also have been motivated in part by Viet Minh foreign minister Pham Van Dong's recent conversations with Nehru in New Delhi.

Nhouy Abhay, the government's chief negotiator, has stated that he plans to submit to the Pathet Lao a "reasonable proposal." He described this only in vague terms but it will apparently include an offer to "reintegrate" those Pathet Lao who at some former time held civil or military positions with the royal government.

Nhouy, although in no hurry to conclude the negotiations, believes his proposal will be accepted without difficulty if the Pathet Lao are "true Laotians"; if not, he asserts, they will be told frankly they are "Viets" and packed off home.

The government's continued lack of a sense of urgency in dealing with the Pathet Lao--reflected even by able officials such as Nhouy--was demonstrated again by Premier Katay in a 13 April talk with Ambassador Beurifoy in Bangkok.

Katay maintained that negotiations must not be broken off until it was apparent to all Laotians that the Pathet Lao was unreasonable and Communist-dominated. He insisted that the degree of Communist domination over the Pathet Lao organization was not firmly established.

The Pathet Lao has taken every advantage of the government's indecision. The Communists' immediate goal is to gain time in which to consolidate their hold and build up their organization in the northern provinces. However, their actions and propaganda attacks on the royal government have resulted in increasing disillusion on the government's part.

On 13 April the government sent to the International Control Commission a strongly worded memorandum on Pathet Lao violations of the truce and on Viet Minh collusion in the northern provinces. The efficacy of this tactic in solving the dispute with the Communists is highly doubtful, but the propaganda effect may prove helpful.

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**Hungarian Leaders Ousted**

The ouster of two top leaders of the Hungarian Workers' Party--Premier Imre Nagy and Mihaly Farkas--may be only the beginning of a wholesale weeding out of anti-Rakosi elements in the party on grounds of "rightist deviation."

Since Farkas has long been closely associated with party leader Matyas Rakosi, his removal on the charge that he had supported Nagy's "anti-party, anti-Marxist" views indicates that the split in the leadership extends beyond a simple struggle for power between Rakosi and Nagy.

Publication in the official party newspaper in early April of articles sharply critical of right-wing deviationism indicates widespread opposition among local party officials to the central committee resolution modifying new course policies.

While Nagy is not believed to have been a powerful force in the Hungarian party before his elevation to the premiership in July 1953, he has since then, as the spokesman for new course liberal policies, apparently built up an extensive following both within the central committee and at lower levels of the party hierarchy.

Farkas has been one of the most important party leaders and was minister of defense until July 1953.

In recent months both men had displayed unusual independence in their relations with

Rakosi

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A reliable source of the American legation in Budapest has reported that Rakosi flew to Moscow on 14 April, apparently immediately after the central committee met to expel Nagy and Farkas from their party posts. If true, this suggests that Rakosi met again with strong opposition in the central committee and felt it

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necessary to gain Kremlin approval before announcing action against Nagy and his "right-wing" supporters which he knew would be unpopular.

The elevation of Andras Hegedus to the premiership indicates that the regime remains concerned over the "near stagnation" of agriculture, Hegedus, who has been first deputy premier since July 1953 and acting premier in recent weeks, has been closely connected with agriculture since 1951 and has coordinated the regime's agricultural policies since October 1954.

Hehgedus is only 32 years old and first attained prominence in 1945 when he was elected secretary of the youth movement. He presumably does not have a significant personal party following.

In his maiden speech to the National Assembly on 18 April, he parroted the March central committee resolutions.

Despite the harsh action against Nagy and Farkas and the possibility of further ousters, Rakosi, backed by the Kremlin, is apparently still trying to follow a middle course and to avoid alienating any larger segments of the party membership than necessary.

Istvan Kovacs, whose recent speeches have appeared to reflect a moderate viewpoint, was promoted to the politburo, and Erno Gero, a representative of the extreme left wing of the party, reappeared in an important role at several Liberation Day celebrations after a long absence due to illness.

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### Genoa Port Strike Becoming More Serious

The strike situation in the Italian port of Genoa is becoming increasingly serious.

The walkout of some 1,600 ship repair workers is now in its thirteenth week with no end in sight. Twice this month sympathy strikes have completely disrupted cargo loadings and unloadings and resulted in numerous clashes between strikers and the police.

The Genoa strike began in January in protest against new hiring regulations which threatened to eliminate the virtual monopoly hitherto enjoyed among ship repair workers by the Communist-dominated General Labor Confederation (CGIL). Thus far there has been

no sign of wavering on the part of management, the union, or the government.

A 48-hour sympathy strike on 12 and 13 April by some 4,000 stevedores tied up more than 50 cargo ships. When the port authority warned that sympathy strikers would be fined if they walked out again, the stevedores called another 24-hour strike.

Some observers believe the strikers cannot hold out much longer. The leaders of both CGIL and the Italian Communist Party, however, may be expected to use every resource in pressing the strike. They are especially anxious for a victory in Genoa now to offset

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the heavy defeats suffered by CGIL in recent shop steward elections in industrial plants,

particularly the Fiat factories in Turin and Milan.

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Iraqi-Syrian Relations

Syria's cabinet capitulated last week to army pressure for negotiating a defense pact with Egypt and Saudi Arabia. An army coup and a concomitant threat of Iraqi military intervention have been averted for the time being.

The Syrian cabinet authorized Foreign Minister Azm on 13 April to negotiate a pact with Egypt and Saudi Arabia on the basis of his elimination of the anti-Iraqi provisions in Cairo's original draft.

Azm's proposals would make the treaty an Arab defense pact aimed at Israel. Even in this form, the projected pact, because of its anti-Iraqi and anti-Turkish inspiration, will probably be opposed by Baghdad and Ankara.

Azm is now at the Afro-Asian conference, where he will carry on negotiations with Egyptian and Saudi officials.

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The cabinet's endorsement of Azm's policy resulted largely from pressure by pro-Egyptian elements in the army who are in league with the anti-Western and extremist Arab Socialist-Resurrectionist Party.

These elements had threatened a coup if the endorsement were not forthcoming. They are likely to renew their efforts if Azm runs into difficulty when he refers the matter to the cabinet after his return from Bandung.

In the meantime, Iraq, under pressure from the West, has apparently given up the idea of sending troops into Syria in the event anti-Iraqi elements stage a coup.

Iraq and Turkey remain opposed to the Syrian government and its pro-Egyptian policy. However, they evidence less determination than formerly to prevent the signing of any new Arab pact.

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## PART III

PATTERNS AND PERSPECTIVESTHE KHRUSHCHEV APPROACH IN INTERNAL POLICY

Soviet party secretary Khrushchev's propensity for taking large-scale, spectacular gambles for quick results in agriculture suggests that he may use similar methods in tackling other internal policy matters.

A typical example of Khrushchev's approach was his abortive "agrorod" plan to consolidate collective farm villages into "agricultural cities" which, as a member of the politburo and secretariat, he advocated in 1950 and early 1951. The plan called for centralizing the peasants on each large amalgamated farm by housing them in a single, urban-type village, or "agrorod."

Khrushchev's scheme would have tightened political control over the peasantry. Indeed, it would have provided the basis for the transformation of the collective farms into completely government-operated state farms, and the eventual transfer of all land from the peasants to the state.

Had such a policy been pursued on a large scale, it would have diverted vast amounts of labor from agricultural production to building construction and caused a dangerous degree of apathy and even of resistance among the peasantry. Khrushchev's plan was so outweighed by more immediate considerations that the "agrorod" scheme was quietly shelved.

During the same period, Khrushchev also advocated the merger of small collective farms, and this was carried out, with a reduction of the total number by two thirds.

One of the chief reasons behind this consolidation was that it made possible the dismissal of thousands of inefficient, uneducated and dishonest farm chairmen, and the assumption of their posts by specialists with secondary and higher agricultural training.

The improvement of farm management apparently fell short of the plan, however, and now Khrushchev is sponsoring a new scheme of dispatching some 30,000 capable urban workers to the countryside to be collective farm chairmen. Under this scheme, approximately one third of all the collective farm leaders would be replaced by July 1955. This appears to be another desperate attempt to improve the quality of farm management and will certainly cause serious organizational confusion for a considerable period of time.

Khrushchev has long been prone to try such wholesale remedies, however. In 1946, for instance, as Ukrainian party boss, he reported to the Ukrainian central committee that he had masterminded a "mass replacement" of half the top officials in the Ukrainian party and government in the preceding 18 months.

In 1953 Khrushchev instituted a program under which up to 7,000 mechanical engineers were supposedly being sent to the machine tractor stations and up to 100,000 agronomists and other technicians assigned to them and the collective farms.

He also radically re-organized party work in the rural areas, providing each of the 9,000 tractor stations

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with a group of party instructors headed by a district party committee secretary. To help accomplish the party's work in the rural areas, he recommended that at least 50,000 party workers be transferred to the countryside.

Last year, over 100,000 komsomols "volunteered" for settlement on the new lands, and this year, Khrushchev is urging another 100,000 to make a similar move. He has also commissioned a group of special central committee representatives to investigate the state farms in the "new lands" area.

The mass transfer approach to personnel problems apparently appeals to Khrushchev, but his plans do not always seem to be well thought out.

For instance, his call in 1953-1954 for urban workers to return to the farm in many cases merely permitted factory managers to cull out their poorest workers.

Khrushchev generally seems so preoccupied with the production side of planning that he neglects the many mundane but vital housekeeping problems that accompany a quick transfer of thousands of people.

Khrushchev also is prone to take long chances. In championing the new lands program he put his hopes on expanding grain acreage in an area approximately three fourths of which is situated on the periphery of the dry steppe-lands and deserts of the Kazakh plateau with an average of no more than 10 to 15 inches of precipitation annually. The program is further complicated by organizational and investment difficulties.

Planting corn in marginal areas, Khrushchev's latest panacea for solving the livestock feed problem, and indirectly for solving the agricultural problem as a whole, is another daring innovation. Even more than in the "new lands" plan, mistakes in the corn program can be particularly costly from the standpoint both of investment and of failure to fulfill the country's needs for grain.

With only a very small area in the Soviet Union suited for corn, a grandiose corn-planting scheme would seem to have a small chance of achieving full success. Yet Khrushchev again seems prepared to take the big chance when he can envision prospects for immediate results. (Concurred EO 13526 3.3(b)(1)>25Yrs in by ORR)

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**POLITICAL PROBLEMS IN AFRICA SOUTH OF THE SAHARA**

The growing importance of the African as a force in international politics is pointed up by the attendance of official delegates from Ethiopia, Liberia, and the Gold Coast at the Bandung conference.

The major factors affecting the future of Africa south of

the Sahara are racialism, colonialism, and the influence of India, the United Nations, and Communism. Numerous areas, however, are at present largely untouched by these forces either because of their isolation or lack of development.

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Portuguese Africa's economic development has been very slow, and because of the colony's relative isolation and the regime's tight rule, native unrest has not manifested itself.

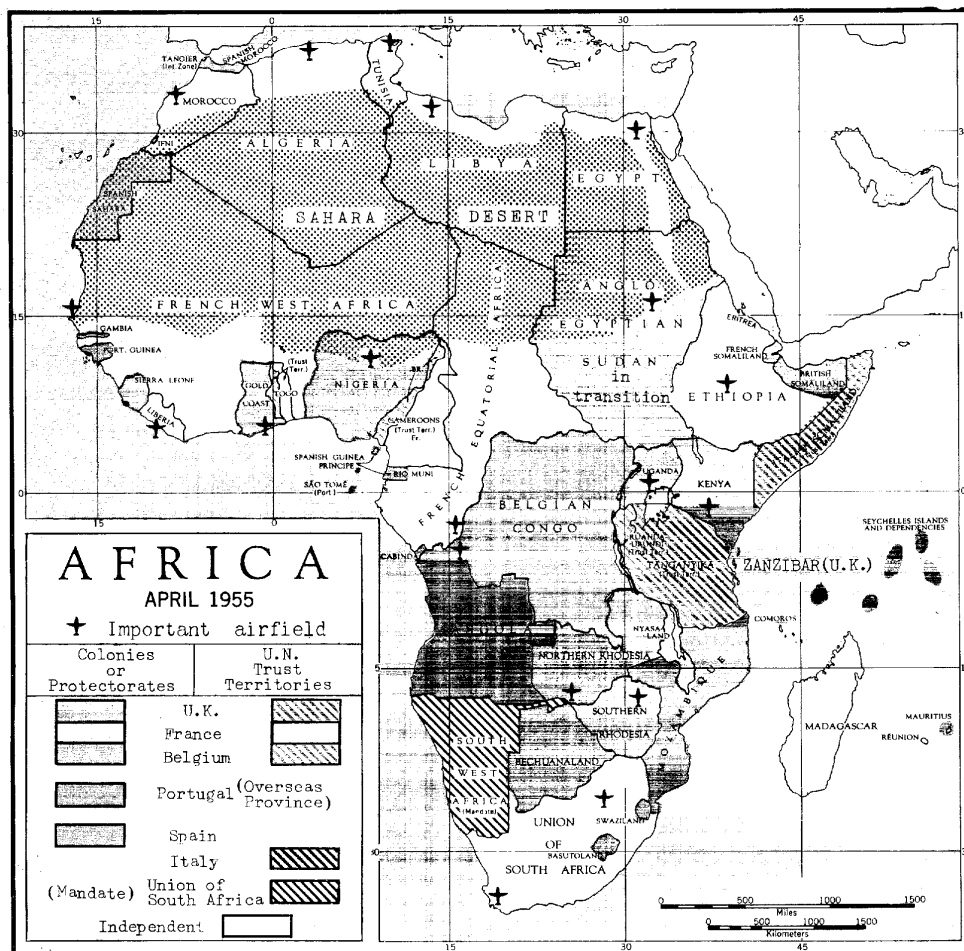
In the French areas, the pace of economic development has been somewhat faster. The granting of suffrage to the Africans has spurred political consciousness, but outbursts of nationalism are quickly suppressed.

Under a paternalistic system, the Belgian Congo is experiencing rapid economic

growth accompanied by social development of the African. So far, it has escaped most of the nationalism and racialism of surrounding areas.

Areas of British Africa--Gambia, Sierra Leone and Tanganyika--are generally stable, although economic difficulties, strikes or constitutional problems demand attention from time to time.

The independent nations of Ethiopia and Liberia, while stable politically, are confronted by the need for economic development, for closer control by the central



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government over the outlying areas, and for the growth of an educated and politically trained population.

Areas of Racial Unrest

On the high plateau of eastern and southern Africa the white man has established a permanent home. Here, especially in Kenya, the Rhodesias and the Union of South Africa, a small white minority has control. The whites, fearful of inundation by the overwhelming black majority, and scornful of the primitive African culture, are determined to retain control of their own destinies.

In this area the color bar rules, and the emerging African, shedding his own tribal society and yet not accepted in the industrially superior Western culture, is subjected to bitter discrimination. Hatred of the white and loss of understanding between races are replacing the former friendly relations.

Kenya: A rapid increase of the native population around the European centers in Kenya, population pressure on the land, and racial discrimination have all contributed to the Mau Mau terrorism. In the three years of the movement's existence, the terrorists have killed about 8,000 Africans and 30 Europeans, have tied down about 8,000 troops from Britain and thousands of Kenya whites, and have cost Kenya directly some \$75,000,000.

The military campaign in which 8,000 terrorists have been killed and over 50,000 Africans detained in camps has put the Mau Mau on the defensive, but it still retains much influence over the 1,300,000 Kikuyus.

Meanwhile, a revolutionary social change is being accomplished by the settling of

some of the Kikuyus in villages. Without greater reforms, however, such as the granting of additional land and of broader political rights, and the ending of racial discrimination, Kikuyu loyalty is improbable and future terrorist outbreaks are almost a certainty.

White settler criticism of concessions to Africans and of a soft government policy toward terrorists suggests that the local whites are not yet prepared to give constructive leadership to the Africans in the development of a multi-racial society in Kenya.

South Africa: The election of Strijdom as prime minister of South Africa last November has accelerated the trend toward racial disturbance. He is less willing than former premier Malan to compromise with the English minority element and is equally determined to maintain white supremacy.

Strijdom is taking a tough attitude toward non-European organizations, mixed labor unions, constitutional barriers to Nationalist Party racial legislation, and to any criticism of South Africa's racial policy. Racial separation--such as the removal of 70,000 Africans from Johannesburg--will be implemented when possible, but apartheid will probably not be pushed where it conflicts with economic development.

The non-European organizations are undergoing internal changes which may permit the Communists to expand their influence. These movements are rather ineffective at present but are joining with the white Communist-front organization, the Congress of Democrats, to sponsor a large-scale "Congress of the People" in June. The government is alert to the danger and probably will act forcefully.

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**Rhodesia:** The Federation of Rhodesia and Nyasaland, trying to establish political unity and foster economic development, faces a serious racial problem. The official policy is partnership of the races; however, daily operation of government and society is somewhat similar to South Africa.

An approach to multiracialism is apparent in African parliamentary membership and in the new interracial university. On the other hand, the continued white supremacy policy of the European copper miners is more reminiscent of South Africa.

The recently demonstrated strength of the African Mine Workers Union and its co-operation with the African political movement in Northern Rhodesia suggest that African unionized labor will be an increasingly important force.

Areas of Anticolonialism

Rising resentment against colonialism is responsible for nationalist agitation by politically conscious Africans in areas where the white man is not a settler.

The arbitrary political boundaries of European colonies cut across tribal areas to such an extent that any modern African state contains segments of various tribal groups. These groups are frequently antagonistic, culturally distinct, and wholly lack a common loyalty or a national concept. The effects of this situation are apparent in the Gold Coast.

**The Gold Coast:** As the first tropical African colony to approach independence, the Gold Coast now appears to be bogging down in internal dissension. Strong regional and tribal animosities aroused by a rapidly growing opposition

group--the National Liberation Movement--may force Britain and Prime Minister Nkrumah to make constitutional revisions and reconsider their timetable for complete Gold Coast independence, now scheduled for 1956.

The Liberation Movement, started by the African cocoa farmers last September as a protest against low prices, has become the vehicle of protest for all anti-Nkrumah groups. It refuses to compromise on its demand for a change to a federal system of government.

While Nkrumah maintains overwhelming control of the legislature, the clashes between contending forces and the growing strength of the movement, which is even causing high-level defections from Nkrumah's party, will force the prime minister to find a solution.

Failure to resolve these differences would be a severe setback to Africans throughout the continent who look to the Gold Coast as a model for the development of future native African states.

**Nigeria:** Britain's other major West African colony, Nigeria, is faced with similar problems. The Moslem north, backward and governed by rulers dependent on Britain for support, fears domination by the more politically sophisticated southern regions which are joined with it in a federation. The south is pressing for self-government in 1956, and Britain has offered to discuss the problem at that time.

In view of the strong tribal loyalties and the absence historically of any Nigerian state, this colony may break up into various weak and antagonistic tribal states unless Britain can prolong the existence of the present federation and constitutionally strengthen the central government.

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Uganda: Tribal and provincial rivalry is responsible for political unrest in Uganda which has prevailed since the deposition in 1953 of the king of Buganda Province. He and the Buganda nationalists, who were proud of the province's economic and political leadership, wanted separate development as well as a pledge of no federation with white-controlled Kenya.

The influence of the Buganda nationalists grew until Britain, late in 1954, agreed to permit the king to return if a constitutional monarchy were accepted in Buganda and if that province would participate in the Uganda legislature. The issue is still unsettled, but the unrest has clearly shown that now there is little sentiment for a Uganda state.

External Factors

Powerful influences are exerted in Africa by India, the United Nations and world Communism.

The Role of the Indian: In eastern and southern Africa the million Indians play an important role. Long a factor in commerce as traders and middlemen, the Indians have now become a political force as agitators and befrienders of African nationalism. They are afraid of expulsion when African states are established, and by giving financial aid and leadership to some of these movements, they apparently hope to ingratiate themselves with the future rulers of the continent.

The Indian is not likely to obtain the Africans' trust, but his agitation causes the present governments additional difficulties and exacerbates racial relations. In West Africa and Ethiopia, Indian influence is limited more to promoting cultural relations.

The Role of the United Nations: UN activities in connection with African affairs are constantly increasing, but the ruling powers are jealous of their sovereignty and resent alleged meddling in internal affairs. This was brought home by South African and Belgian withdrawal from some UN agencies.

Trusteeship Council reports are generally critical of conditions in African areas. The flood of petitions to the UN from Africans usually magnify minor incidents into major catastrophes. The verbatim texts of UN meetings, distributed by UN agencies and containing propaganda statements by Communist delegates, have encouraged discontent with colonialism and Western culture.

The Togoland trusteeship problem must be faced soon by the United Nations because Britain has announced its intention to terminate its trusteeship when the Gold Coast achieves independence. The UN solution will have an important effect in West Africa as well as create a precedent for the termination of such agreements.

The Role of Communism: The third external force, Communism, is still relatively unimportant in Africa, although there are Communist activities in a few widely dispersed areas.

The urbanized native, having lost his tribal ties and now facing a baffling industrial culture, is an easy target for political agitators. This is especially true in the cities of South Africa, the mining camps of Rhodesia, the crowded slums of Nairobi and in the ports of West Africa.

In the rural areas, where the mass of the Africans live, isolation and political apathy have impeded the growth of Communism.

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Africa is the scene of increasing ferment as the natives become more critical of colonial rule and the European color bar.

Unless the present trend is reversed and African faith

in Western civilization restored, the continent's valuable manpower and military staging areas, strategic resources, and the friendship of 200,000,000 people may be lost.

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